

TESTIMONY BEFORE THE HOUSING COMMITTEE

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FEBRUARY 28, 2023

Senator Moore, Representative Luxenberg, Senator Sampson, Representative Scott, and members of the committee, my name is Sean Ghio, and I am Senior Policy Advisor at the Partnership for Strong Communities. We are a statewide nonprofit policy and advocacy organization dedicated to ensuring everyone in Connecticut has a safe, stable home that is affordable to them in an equitable community of their choice. Thank you for the opportunity to submit testimony on several bills before you today.

We ask the committee to oppose:

H.B. 5326 AN ACT CONCERNING THE AFFORDABLE HOUSING APPEALS PROCESS AND REMOVING THE MUNICIPAL OPT-OUT DEADLINE FOR ACCESSORY APARTMENTS.

This bill will neither create nor preserve a single affordable home. The bill only changes the definition of affordable housing to include less expensive market-rate homes as affordable. It would likely result in towns achieving a moratorium or exemption from Section 8-30g without any easing of the severe housing cost burden of their residents or any of the 1 in 7 Connecticut households that spends more than half of their income on housing costs.

Additionally, properties that currently qualify for a moratorium under 8-30g, because they are deed restricted or otherwise subsidized, as described in the current statute are also subject to certain regulatory oversight. This is especially true for rental homes. For example:

- Properties receiving subsidy undergo regular certification to ensure that the lease remains affordable as is defined in the statute.
- Properties receiving subsidy undergo regular income certification for tenants to ensure the unit is occupied by a household that meets the requisite income criteria.
- Properties receiving subsidy are also often required to undergo inspections to ensure the property meets basic health and safety standards.
- Eligible properties are available for purchase or rent to income qualified buyers/renters in a public marketplace to ensure that the unit remains an available resource for eligible households (not a unit that is shared/rented only to contacts or family members for example).
- Deed-restricted eligible properties are typically income-restricted for a period of between 15 and 40 years, ensuring that the unit remains affordable for multiple potential eligible occupants over many years. Homes subsidized by a tenant-based

subsidy follow that renter as long as they are income-eligible before the subsidy is transferred to a new, eligible household.

This bill would not provide similar protections for the properties described. Ultimately, it will do nothing to alleviate Connecticut's housing crisis.

H.B. 6777 – AN ACT CONCERNING PROPERTY TAX ABATEMENTS FOR CERTAIN SENIOR-OWNED DEED-RESTRICTED PROPERTIES.

This bill would require municipalities to pay for deed restricting moderately priced homes owned by certain senior citizens through property tax abatements. The bill would allow towns to count these properties toward a Section 8-30g moratorium and award them double the points that these properties receive under existing moratorium rules. While well-intentioned, this bill would weaken 8-30g without necessarily expanding or preserving affordable homes for future owners or for any defined duration. Concerns and questions regarding the specifics of this bill are detailed below.

- Critically, towns could suspend the abatements during a moratorium, and homeowners could end the deed restriction at any time. As written, this bill would help many communities to achieve a moratorium from Section 8-30g without creating any new affordable homes or necessarily preserving existing affordable units for future owners or for any defined duration.
- The bill alters the definition of a binding deed restriction in existing law. The initial owner can revoke the deed restriction at any time by repaying the property tax benefit he received, plus a penalty. It isn't clear if the penalty applies to the initial owner only or would extend to a buyer revoking the restriction. How the deed restriction section of this bill would work in practice is unclear in places and may require some additional changes if the bill passes out of committee.
- The deed restriction itself isn't calculated according to 8-30g standards, because it doesn't include heat, insurance, taxes, and other housing expenses, as is required by 8-30g for ownership deed restrictions, so the cost to the new buyer could be well over 30% of income.
- Municipalities can suspend the tax abatement when they have a moratorium from 8-30g or become exempt from 8-30g. It is unclear why this would be a goal. If an intent of the bill is to provide tax relief to lower income elderly homeowners, why would the relief end during a moratorium from Section 8-30g? This action would negatively affect the homeowners counting on that tax relief.
- Awarding 2 points toward a moratorium for an owner-occupied home restricted at 80% AMI is out of line with the existing moratorium system. The existing system awards 1 point for an ownership unit at 80%. This bill would double that. What is the justification for doubling the points awarded other than to make it easier for a municipality to be

shielded from Section 8-30g without creating any new affordable homes and for any certain duration?

[Section 12-81bb](#) already permits municipalities to provide tax credits to residential owners who place long-term binding affordable housing deed restrictions on their property – consistent with 8-30g time restrictions at 80% AMI. We ask the committee to work within existing law to incentivize municipalities and eligible homeowners to increase the supply of deed restricted owner-occupied homes and leave Section 8-30g unchanged.

Thank you for the opportunity to submit this testimony.